



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5
77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

SEP 26 2013

REPLY TO THE ATTENTION OF:

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Timothy G. Rice,
Vice President, Assistant General Counsel and Corporate Secretary
The Dayton Power and Light Company
1065 Woodman Drive
Dayton, Ohio 44004

Re: The Dayton Power and Light Company Administrative Consent Order
EPA-5-13-113(a)-OH-07

Dear Mr. Rice:

Enclosed is an executed original of the Administrative Consent Order regarding the above captioned case. If you have any questions about the Order, please contact me at 312-886-6073.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Dickens".

Brian H. Dickens
Chief
Air Enforcement and Compliance Assurance Section (MN/OH)

Enclosure: Administrative Consent Order EPA-5-13-113(a)-OH-07

cc: Robert Hodanbosi, OEPA
John Paul, RAPCA

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5**

IN THE MATTER OF:

**The Dayton Power and Light Company
Dayton, Ohio**

Respondent

)
)
) EPA-5-13-113(a)-OH-07
)
) **Proceeding Under Sections 113(a)(1)
and (3) of the Clean Air Act,**
) **42 U.S.C. § 7413(a)(1) and (3)**

Administrative Consent Order

1. The Director of the Air and Radiation Division, U.S. Environmental Protection Agency (EPA), Region 5 is issuing this Administrative Consent Order (Order) to The Dayton Power and Light Company (DP&L) under Sections 113(a)(1) and (3) of the Clean Air Act (Act), 42 U.S.C. § 7413(a)(1) and (3). This Order is being entered into voluntarily and shall not be modified except by a subsequent written agreement between the parties.

2. This Order is being issued in conjunction with a parallel Regional Air Pollution Control Agency (RAPCA) administrative Findings and Orders issued by the Administrator of RAPCA.

Statutory and Regulatory Background

State Implementation Plan

3. Sections 110(a) of the Act, 42 U.S.C. § 7410(a), requires each State to submit a plan (SIP) to provide for the implementation, maintenance, and enforcement of primary and secondary National Ambient Air Quality Standards. Section 110(a)(1) provides the procedural and timing requirements for SIPs. Section 110(a)(2) lists the basic elements that all SIPs must contain, including emissions inventories, ambient air quality monitoring and data systems, programs for enforcement of control measures, and adequate resources to implement the plan.

4. Section 110(k) of the Act, 42 U.S.C. § 7410(k), requires the EPA to approve, partially approve, or disapprove a state's submission of a SIP.

5. On May 27, 1994 (59 Fed. Reg. 27464), EPA approved as part of Ohio's federally enforceable SIP, Ohio Administrative Code provisions that limit (1) visible emissions of a stack to 20 percent opacity as a six-minute average (OAC Rule 3745-17-07) and (2) particulate matter (PM) emissions from fuel burning equipment based on total heat input and other factors (OAC Rule 3745-17-10).

6. Section 113(a)(1) of the Act, 42 U.S.C. § 7413(a)(1), authorizes EPA to issue orders, including orders on consent, in accordance with the requirements in Section 113(a)(4) of the Act, to any person whenever, on the basis of any information available to EPA, EPA finds that such person has violated, or is in violation, of among other things, any requirement or prohibition of an applicable SIP or permit.

Title V Permit

7. Subchapter V, Section 502 of the Act, 42 U.S.C. § 7661a, requires EPA to promulgate regulations establishing the minimum elements of a permit program to be administered by an air pollution control agency. EPA promulgated these regulations at 40 C.F.R. Part 70. 57 Fed. Reg. 32295.

8. On August 15, 1995, EPA granted full approval of the Ohio Title V permit program. 60 Fed. Reg. 42045.

9. Subchapter V, Section 502(d) of the Act, 42 U.S.C. § 7661a(d), requires that each permit include, among other things, enforceable limitations and standards, a schedule of compliance, and a requirement that no less often than every 6 months the permittee submit to the permitting authority the results of any required monitoring.

10. Section 113(a)(3) of the Act, 42 U.S.C. § 7413(a)(3), authorizes EPA to issue orders, including orders on consent, in accordance with the requirements in Section 113(a)(4) of the Act, to any person whenever, on the basis of any information available to EPA, EPA finds that such a person has violated, or is in violation, of among other things, any requirement or prohibition of subchapter V of the Act.

Findings

11. Respondent operates the O.H. Hutchings Station, an electric power generation facility located in Miamisburg, Ohio (the "Facility").

12. The Facility includes six coal-fired boilers (B001, B002, B003, B004, B005, and B006), individually designated as Unit 1, Unit 2, Unit 3, Unit 4, Unit 5 and Unit 6, respectively. A seventh Unit, fired by natural gas with diesel fuel backup capability, is not subject to this Order. For purposes of this Order, "Unit" means, collectively, the coal pulverizer, stationary equipment that feeds coal to the boiler, and the boiler that produces steam for the steam turbine.

13. The Facility is a "Stationary Source" as that term is defined in the Act and the federally-approved Ohio SIP.

14. The Units emit, among other pollutants, PM and visible particulate emissions (VE).

15. The Units discharge emissions through three stacks, which are equipped with continuous opacity monitoring systems (COMS).

16. The COMS provide continuous readings of opacity from each of the three stacks.

17. The three stacks identified in paragraph 15 are common stacks which are shared as follows: Unit 1 and Unit 2, Unit 3 and Unit 4, Unit 5 and Unit 6.

18. The Ohio Environmental Protection Agency (OEPA) issued Title V permit 08-57-78-0013 the Title V permit) to the Facility on December 23, 2002.

19. The Title V permit identifies each of the six coal-fired boilers as an emission unit and includes emission limits for PM and VE for each unit.

20. The Title V permit at Part III.A.I.1. states that VE from Units 1 through 6 shall not exceed 20 percent opacity as a six-minute average, except as provided by rule.

21. The Title V permit at Part III.A.I.1. also states that particulate emissions from Units 1 through 6 shall not exceed 0.10 lb/MMBtu actual heat input.

22. The Title V permit, Part III.A.III.1. requires DP&L to operate and maintain equipment to continuously monitor and record the opacity of the particulate emissions from Units 1 through 6.

23. The Title V permit, Part III.A.IV.1. requires DP&L to submit quarterly reports documenting all instances of opacity values for Units 1 through 6 in excess of the limitations specified in OAC rule 3745-17-07, detailing the date, commencement and completion times, duration, magnitude (percent opacity), reason (if known), and corrective action(s) taken (if any) of each six-minute block average above the applicable opacity limitation(s).

24. The Title V permit, Part III.A.V.1. requires DP&L to conduct periodic performance testing of Unit 1 while the emissions unit is operating at or near the maximum capacity.

25. DP&L certified and submitted quarterly excess emission reports to OEPA for at least calendar years 2003, 2004, 2005, 2006, and the first quarter of 2007.

26. DP&L conducted at least one periodic performance test at Unit 1 for PM on November 2, 2006.

27. EPA issued a Notice of Violation and Finding of Violation (NOV/FOV) to DP&L on June 29, 2007 alleging, among other things, DP&L exceeded opacity limits established in the Ohio SIP and DP&L's Title V permit and failed to demonstrate compliance with the applicable PM emission limit for Unit 1 as established by the Ohio SIP and incorporated into DP&L's Title V permit.

28. Representatives from EPA and DP&L met on July 23, 2007 to discuss the alleged violations in the June 29, 2007 NOV/FOV and measures needed to bring the Facility back into compliance with applicable opacity limits and PM limits.

29. DP&L developed and implemented improved maintenance procedures across the Facility following the July 23, 2007 meeting, which reduced the number of excess opacity events.

Compliance Program

30. Terms used in this Order shall have the meanings provided in the Act or regulations promulgated pursuant to the Act, unless otherwise provided in this Order.

31. "Cease Burning Coal" The implementation of actions taken on one or more units which physically prevents such unit from burning coal in any form. Examples of appropriate actions include, but are not limited to: disabling coal handling equipment, removing electric breakers associated with coal handling equipment, and decoupling motors associated with coal handling equipment and conveyor systems.

32. "Electrostatic Precipitator" or "ESP" means a device for removing PM from combustion gases by imparting an electric charge to the particles and then attracting them to a metal plate, screen or wire of opposite charge before the combustion gases are exhausted to the atmosphere.

33. "Natural Gas" means: a naturally occurring fluid mixture of hydrocarbons (e.g., methane, ethane, or propane) produced in geological formations beneath the Earth's surface that maintains a gaseous state at standard atmospheric temperature and pressure under ordinary conditions. Natural gas contains 20.0 grains or less of total sulfur per 100 standard cubic feet. Equivalents of this in other units are as follows: 0.068 weight percent total sulfur, 680 parts per million by weight (ppmw) total sulfur, and 338 parts per million by volume (ppmv) at 20 degrees Celsius total sulfur. Additionally, natural gas must either be composed of at least 70 percent methane by volume or have a gross calorific value between 950 and 1100 British thermal units (Btu) per standard cubic foot. Natural gas does not include the following gaseous fuels: landfill gas, digester gas, refinery gas, sour gas, blast furnace gas, coal-derived gas, producer gas, coke oven gas or any gaseous fuel produce in a process which might result in highly variable sulfur content or heating value.

34. "Refuel" or "Refueled" means a Unit that is either Refueled to Natural Gas or Refueled to a Non-Fossil Fuel Approved by EPA within the meaning of this Order and requires the modification of a Unit as necessary such that the modified Unit generates electricity solely through the combustion of Natural Gas or non-fossil fuel approved by EPA rather than coal.

35. "Repower" or "Repowered" means the removal and replacement of the Unit components such that the replaced Unit generates electricity solely through the combustion of Natural Gas or a non-fossil fuel approved by EPA and requires the modification of a Unit as necessary such that the modified Unit generates electricity solely through the combustion of Natural Gas or non-fossil fuel approved by EPA rather than coal. Nothing herein shall prevent the reuse of any equipment at any existing Unit or new emissions Unit, provided that Respondent applies for, and obtains, all required permits under the Act and the Ohio SIP prior to refueling to Natural Gas or a

non-fossil fuel approved by EPA.

36. DP&L must Cease Burning Coal at Unit 1, Unit 2, Unit 3, Unit 4, Unit 5 and Unit 6 at the Facility no later than September 30, 2013.

37. DP&L may, after it Ceases Burning Coal as required in paragraph 36, elect to Refuel or Repower Unit 3, Unit 4, Unit 5, or Unit 6. Unit 1 and Unit 2 may not, at any time after Ceasing Burning Coal, be Repowered or Refueled.

38. DP&L must, upon election to Refuel or Repower a Unit as provided for in this Order, apply for and obtain all permits required by the Act and the SIP for each Unit it elects to Refuel or Repower.

39. Any election made by DP&L which involves Refueling or Repowering as an existing source must be made no later than one year after this Order's effective date.

40. For Units 1 and 2 and any Unit that DP&L does not elect to Refuel and Repower within one year of this Order's effective date (see paragraphs 37- 39 above), DP&L shall amend any submissions to state air emissions inventories, submit applications to amend all applicable permits so as to reflect the permanent shutdown status of such Unit, and take any other actions necessary to rescind or modify (as appropriate) the Clean Air Act permits associated with such unit.

41. After one year following this Order's effective date, any Unit DP&L elects to Refuel or Repower must be permitted as a new source.

42. DP&L must continuously operate each ESP and each COMS on each Unit at the Facility during any hour when such Unit is combusting coal. Operation of each control device and COMS must be consistent with manufacturer specifications and the operational design of the control devices and COMS.

43. DP&L must operate all Units at the Facility, regardless of the fuel being combusted

and associated air pollution control devices and technologies, in a manner consistent with good air pollution control practices to minimize or eliminate emissions.

44. DP&L must submit the following notifications and reports within the timeframes provided below:

- a. A notification verifying all Units have ceased burning coal, including photographs as appropriate, no later than October 30, 2013.
This notification must be notarized by an authorized notary.
- b. A notification describing any election DP&L makes involving the Refueling or Repowering of one or more Units, the time and date of such election and the actions taken in response to that election no later than thirty days after such an election is made.
- c. Quarterly reports to EPA which include updates on the status of any construction or compliance measures, the completion of milestones, problems encountered or anticipated, together with implemented or proposed solutions, and the status of any permit application made pursuant to this Order. These reports must be submitted no later than 30 days after the end of each calendar quarter beginning after the effective date of this Order (January 30, April 30, July 30, and September 30, 2014).
- d. DP&L must also submit quarterly reports which describe any non-compliance with the requirements of this Order. These reports must include an explanation of the violation's cause and remedial steps taken, or to be taken, to prevent or minimize such violation(s). These reports must be submitted no later than 30 days after the end of each calendar quarter

beginning after the effective date of this Order (January 30, April 30, July 30, and September 30, 2014) and may be combined with the reports required in paragraph 44(c).

45. All reports and notifications required by this Order must be submitted to the following address and should include a reference to this Order number.

Attention: Compliance Tracker (AE-17J)
Air Enforcement and Compliance Assurance Branch
Air and Radiation Division
U.S. Environmental Protection Agency, Region 5
77 West Jackson Boulevard
Chicago, Illinois 60604

46. All reports and notifications submitted by DP&L must be signed by an authorized official and include the following certification:

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information including the possibility of fine and imprisonment for knowing violations.

47. The work and schedules required by this Order are intended to be identical to the work and schedules in the RAPCA Findings and Orders.

Environmental Mitigation Projects

48. DP&L agrees to implement one or more environmental mitigation projects ("Projects") described in Appendix A to this Order in accordance with the requirements of this Order, including all requirements in Appendix A to this Order.

49. DP&L must spend no less than \$200,000 in Project dollars within 365 days of the effective date of this Order.

50. DP&L must maintain, and within 30 days upon request present all documents related to the Project dollars expended.

51. DP&L must certify it is not otherwise required by law to perform the Project(s) described in Appendix A to this Order, it is unaware of any other person who is required to perform the Project(s), and that DP&L will not use any Project dollars, or portion thereof, to satisfy any obligations that it may have under other applicable requirements of law.

52. DP&L may elect (where such an election is allowed) to undertake a Project by contributing funds to another person or entity that will carry out the Project in lieu of DP&L. Such person or entity may not include DP&L's agents or contractors. Any person or entity to whom DP&L contributes funds to carry out the Project(s) must, in writing: (a) identify its legal authority for accepting such funding, and (b) identify its legal authority to conduct the Project(s) for which DP&L contributes the funds.

53. DP&L must acknowledge that it will receive credit for an expenditure of Project dollars only if it demonstrates the funds are actually spent by either DP&L or by the person or entity receiving them, and that such expenditures meet all requirements of this Order and Appendix A. Modifications or additions may be made to Appendix A after execution upon mutual consent of DP&L and EPA, which consent may be in the form of an e-mail proposal and response.

54. DP&L must provide EPA quarterly updates concerning the progress of each Project DP&L elects to pursue beginning with the first quarterly update no later than January 31, 2014. Additional quarterly reports must be submitted no later than April 30, 2014, July 31, 2014 and a final report no later than 365 days after the effective date of this Order.

55. DP&L must submit to EPA a final report that documents the date each Project was completed, results and environmental benefits from implementing the project (including emission

reductions or other environmental benefits achieved, which may be described in general terms if such reductions or benefits are of an ongoing nature), and the Project dollars expended by DP&L in implementing the Project. Each report must be submitted no later than thirty days following the completion of the respective project.

56. Any communication to the public or to shareholders regarding DP&L's actions or expenditures relating in any way to the Project(s) in this Order must include prominently in the communication that the actions and expenditures were required as part of an Order to resolve allegations that DP&L violated the Clean Air Act.

General Provisions

57. This Order does not affect DP&L's responsibility to comply with other local, state and federal laws and regulations.

58. This Order does not restrict EPA's authority to enforce any provision of the Act, regulations promulgated in accordance with the Act, or the Ohio SIP and other implementing regulations.

59. Nothing in this Order limits EPA's authority to seek appropriate relief, including penalties under Section 113 of the Act, 42 U.S.C. § 7413, except for federal administrative civil penalties for the violations alleged in this Order.

60. Failure to comply with this Order may subject SPL to penalties of up to \$37,500 per day for each violation of this Order in accordance with Section 113 of the Act, 42 U.S.C. § 7413 and 74 Fed. Reg. 626 (2009) (amending 40 C.F.R. Part 19).

61. The terms of this Order are binding on DP&L, its assignees and successors. DP&L must give notice of this Order, if still in effect, to any successors in interest, prior to transferring ownership and must simultaneously verify to EPA, at the above address, that DP&L

has given the notice.

62. DP&L may assert a claim of business confidentiality under 40 C.F.R. Part 2, Subpart B, for any portion of the information it submits to EPA. Information subject to a business confidentiality claim is available to the public only to the extent allowed by 40 C.F.R. Part 2, Subpart B. If DP&L fails to assert a business confidentiality claim, EPA may make all submitted information available, without further notice, to any member of the public who requests it. Emissions data provided under this Order are not entitled to confidential treatment under 40 C.F.R. Part 2, Subpart B. "Emission data" is defined at 40 C.F.R. § 2.301.

63. This Order is not subject to the Paperwork Reduction Act, 44 U.S.C. § 3501 *et seq.*, because it seeks information by an agency from specific individuals or entities as part of an administrative action or investigation. To aid in our electronic record keeping efforts, please furnish an electronic copy of required documents where feasible. Electronic copies of required documents may be provided on a compact disc or thumb drive, or, upon agreement between parties timely submitted via e-mail.

64. EPA may use any information submitted under this Order in an administrative, civil, or criminal action.

65. DP&L agrees to the terms of this Order.

66. DP&L neither admits nor denies the factual allegations and conclusions of law set forth above in this Order.

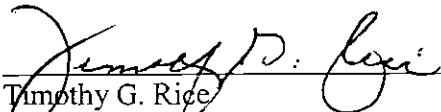
67. DP&L waives any and all remedies, claims for relief and otherwise available rights to judicial or administrative review that DP&L may have with respect to any issue of fact or law set forth in this Order on Consent, including any right of judicial review under Section 307 of the Act, 42 U.S.C. § 7607.

68. This Order is effective on the date of signature by the Director of the Air and Radiation Division.

69. This Order expires one year after the effective date of this Order.

The Dayton Power and Light Company

September 20, 2013
Date

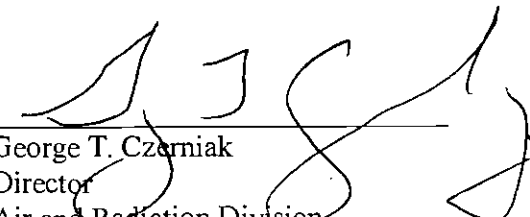


Timothy G. Rice
Vice President, Assistant General
Counsel and Corporate Secretary
The Dayton Power and Light Company

RV
9/20/13

United States Environmental Protection Agency

9/24/13
Date



George T. Czerniak
Director
Air and Radiation Division
U.S. Environmental Protection Agency
Region 5

Appendix A: Environmental Mitigation Projects

DP&L must spend no less than \$200,000 to implement one or more of the environmental mitigation projects (Projects) identified in this Appendix. Implementation of each project must be completed in accordance with this Appendix and paragraphs 48-56 of this Order no later than one year from the effective date of this Order.

I. Potential Specified Environmental Mitigation Projects

A. Clean Diesel Retrofit Project

1. DP&L may spend up to \$200,000 in Project dollars to fund retrofit, replacement or repowering of busses or diesel engine vehicles or diesel powered equipment in central and southwest Ohio.

This Project may provide for transfer of funds to the Ohio EPA Clean Diesel School Bus Fund, which administers a grant program that offers grants to retrofit diesel school buses with pollution control equipment and idle reduction equipment, to reduce student and driver exposure to the harmful pollutants in diesel exhaust and to conserve fuel. See <http://epa.ohio.gov/oeel/>

This Project may also provide for transfer of funds to the Southwest Ohio Clean Diesel Campaign, a program established by the Hamilton County Department of Environmental Services that reduces the emissions from diesel-powered school buses, trucks, and non-road equipment in Southwest Ohio by working with school districts, bus companies, and other government departments in Southwest Ohio to secure funding to retrofit their diesel-powered equipment with emission reduction devices. See <http://www.hcdoes.org/CleanDieselCampaign/SOCDCC.htm>

2. Completion Date: This Project shall be completed within ten (10) months from the effective date of this Order.
3. Project Completion Report: Within 30 days from the completion of this Project, DP&L will provide EPA with a report that documents the date this Project was completed and the results of implementing this Project including emission reductions or other environmental benefits achieved, along with the total dollars expended to implement this program.

DP&L and either of the organizations listed in paragraph I.A.1. above, may use EPA's National Clean Diesel Campaign Quantifier to evaluate each clean diesel project. See <http://www.epa.gov/cleandiesel/quantifier/>.

B. Wood Stove and Wood Outdoor Boiler Changeout Project

1. DP&L may spend up to \$200,000 in Project dollars to implement this Project, and shall sponsor the implementation of this Project in Central and Southeast Ohio.

2. This Project shall be planned and implemented in accordance with the following requirements:

a. The air pollutant reductions shall be obtained by replacing, retrofitting or upgrading inefficient, higher polluting wood-burning appliances (e.g., outdoor boilers and stoves) with cleaner burning appliances and technologies, such as: (1) retrofitting older hydronic heaters (aka outdoor wood boilers) to meet EPA Phase II hydronic heater standards; (2) replacing older hydronic heaters with EPA Phase II hydronic heaters, or with EPA-certified wood stoves, other cleaner burning, more energy efficient hearth appliances (e.g., wood pellet, gas or propane appliances), or EPA Energy Star qualified heating appliances; (3) replacing non EPA-certified wood stoves with EPA-certified wood stoves or cleaner burning, more energy-efficient hearth appliances; and (4) replacing spent catalysts in EPA-certified wood stoves. To qualify for replacement, retrofitting or upgrading, the older wood-burning appliance must currently be used as a source of residential heat.

b. DP&L and the air pollution control agency(ies) or non-profit organization(s) that will implement this Project shall consult with EPA's Residential Wood Smoke Reduction Team and shall implement the WSC Project consistent with the materials available on EPA's Burn Wise website at <http://www.epa.gov/burnwise>.

c. DP&L shall limit the use of Project dollars for administrative costs associated with implementation of this Project to no greater than 10% of the Project dollars that DP&L provides to a specific air pollution control agency or non-profit organization.

d. This Project shall provide incentives for the older wood-burning appliance replacements, retrofits and upgrades described above through rebates, vouchers and/or discounts. This Project shall provide for the issuance of rebates, vouchers and/or discounts to residential homeowners in amounts ranging from \$2,000 to \$5,000 for replacing or retrofitting older hydronic heaters, \$1,000 to \$2,000 for each replacement wood stove or hearth appliance, and \$100 to \$300 for replacement catalyst. This Project may also provide rebates or vouchers for the full cost of replacing older hydronic heaters and non EPA-certified wood stoves for income-qualified residential homeowners, if such full cost rebates or vouchers are included and approved by EPA. Approval may be in the form of an e-mail proposal and response.

e. This Project shall provide educational information and outreach regarding the energy efficiency, health and safety benefits of cleaner-burning alternatives to older hydronic heaters and non EPA-certified wood stoves, and the proper operation of wood-burning heaters, stoves and hearth appliances. Particular emphasis shall be given to the importance of burning dry seasoned wood and the

use of moisture meters to test firewood moisture levels.

3. Completion Date: This project shall be completed no later than eleven (11) months from the effective date of this Order.
4. Project Completion Report: Within 30 days from the completion of this Project, DP&L will provide EPA with a report that documents the date this Project was completed and the results of implementing this Project including emission reductions or other environmental benefits achieved, along with the total dollars expended to implement this program.

C. Electric Vehicle Service Equipment (EVSE)(Charging Stations) Installation Project

1. DP&L may spend up to \$200,000 in Project dollars to install Level II (240V) EVSE Charging Stations at federal, state, or local government-owned buildings, schools, parking garages, and/or buildings owned by nonprofit organizations at any location within the DP&L service territory. This Project may also include up to 2 charging stations at the DP&L MacGregor Park offices.
2. Completion Date: This Project shall be completed within 10 months from the effective date of this Order.
3. Project Completion Report: Within 30 days from the completion of this Project, DP&L will provide EPA with a report that documents the date this Project was completed and the results of implementing this Project including emission reductions or other environmental benefits achieved, along with the total dollars expended to implement this program.

DP&L shall utilize the Argonne National Laboratory Greenhouse Gases, Regulated Emissions, and Energy Use in Transportation Model (GREET) to estimate the actual amount of emissions that are reduced by this project.

D. Fleet Replacement Program for DP&L (incremental additional cost of Alternative Fuels Vehicles)

1. DP&L may elect to spend up to \$200,000 to replace its gasoline and diesel-powered fleet vehicles (passenger cars, light trucks, and heavy duty service vehicles) with newly manufactured Alternative Fuels Vehicles (as defined below) and/or compressed natural gas ("CNG") vehicles. The replacement of gasoline and diesel vehicles with such vehicles will reduce emissions of NOx, PM, VOCs, and other air pollutants.
2. Definitions:
 - a. "Alternative Fuels Vehicle" means a Hybrid Vehicle, Plug-in Hybrid Vehicle, Plug-in Battery Vehicle, or Electric Vehicle.

- b. "Hybrid Vehicle" means a vehicle that can generate, store, and utilize electric power to reduce the vehicle's consumption of fossil fuel.
 - c. "Plug-in Hybrid Vehicle" means a vehicle that can be charged from an external source and can generate, store, and utilize electric power to reduce the vehicle's consumption of fossil fuel. These vehicles typically include a larger battery pack to allow an extended range of operation without the use of the gasoline or diesel engine.
 - d. "Plug-in Battery Vehicle" means a vehicle that does not utilize an internal combustion engine and instead relies entirely on battery power for propulsion.
- 3. With respect to costs associated with vehicles, DP&L shall only receive credit toward Project dollars for the incremental cost of Alternative Fuels Vehicles or CNG Vehicles, as compared to the cost of a newly manufactured, similar motor vehicle powered by conventional diesel or gasoline engines.
 - 4. DP&L must also certify that the replacement program vehicles will be retained and operated for a minimum of the earlier of 5 years or 100,000 miles.
 - 5. Completion Date: This Project shall be completed within eleven (11) months from the effective date of this Order.
 - 6. Project Completion Report: Within 30 days from the completion of this Project, DP&L will provide EPA with a report that documents the date this Project was completed and the results of implementing this Project including emission reductions or other environmental benefits achieved, along with the total dollars expended to implement this program.

II. Schedule and Requirements for Additional Environmental Mitigation Projects

- A. In accordance with the requirements outlined below, DP&L may elect to submit a plan for an Environmental Mitigation Project not described in Section I of Appendix A of this Order.
 - 1. Within sixty (60) days of the effective date of this Order, DP&L shall submit proposed plans ("Project Plans") to EPA for review and approval.
 - 2. All proposed Project Plans shall include the following:
 - a. A complete description of the Project.
 - b. A plan for implementing the Project.
 - c. A summary-level budget for the Project.
 - d. A time line for implementation of the Project with a completion date not to exceed eleven (11) months from the effective date of this Order
 - e. A description of the anticipated environmental benefits of the Project including an estimate of emission reductions (e.g., SO₂, NO_x, PM, mercury, CO₂)

expected to be realized.

- B. Upon approval by EPA of the Project Plan(s), DP&L shall complete the approved Projects according to the approved Project Plan(s).
- C. DPL&L shall submit to the United States a completion report that documents:
 - 1. The date the Project was completed.
 - 2. The results of implementation of the Project, including the estimated emission reductions or other environmental benefits achieved.
 - 3. The Project dollars incurred by DP&L in implementing the Projects.

III. Potential National Park Service Mitigation Project

- A. If, upon the passing of the eleven (11) months following (i.e., within 335 days of) this Order's effective date, any portion of the \$200,000 DP&L must spend pursuant to paragraph 49 of this Order remains unspent, or has been spent in a manner inconsistent with this Order, then within 365 days from this Order's effective date, DP&L shall pay to the United States National Park Service the unspent balance up to \$200,000 to be used in accordance with the Park System Resource Protection Act, 16 U.S.C. § 19jj-3, for the improvement, protection, or rehabilitation of lands under the administration of the United States National Park Service; particularly, for a long-term, integrated program to address damage from power plant emissions by managing invasive plants and restoring degraded habitat in the Cuyahoga Valley National Park (CVNP). CVNP is located in North Central Ohio, an area that EPA considers to be within the airshed of the Facility.
- B. DP&L may elect to submit to the U.S. National Park Service the payment described in Paragraph A, above, prior to eleven (11) months from this Order's effective date.
- C. If DP&L must make, or elects to make, the payment described in Paragraph A, above, DP&L will notify EPA and make the payment in accordance with payment instructions EPA then provides.
- D. Upon making the payment as described in Paragraphs A through C, above, DP&L shall have no further responsibilities regarding the implementation of this U.S. National Park Service Project under this Order.

CERTIFICATE OF MAILING

I, Loretta Shaffa, certify that I sent the Administrative Consent Order, EPA Order No. EPA-5-13-113(a)-OH-07, by Certified Mail, Return Receipt Requested, to:

Timothy G. Rice,
Vice President, Assistant General Counsel
and Corporate Secretary
The Dayton Power and Light Company
1065 Woodman Drive
Dayton, Ohio 44004

I also certify that I sent a copy of the Administrative Consent Order, EPA Order No. EPA-5-13-113(a)-OH-07, by First-Class Mail to:

Robert Hodanbosi, OEPA
John Paul, RAPCA

On the 26 day of September 2013.

Loretta Shaffa
Administrative Program Assistant
AECAB [Planning and
Administration Section]

CERTIFIED MAIL RECEIPT NUMBER:

7009 1680 0000 7669 5756